

Minneapolis Community Development Agency

## Request for City Council Action

Date: September 19, 2002

To: Council Member Lisa Goodman, Community Development Committee  
Council Member Barbara Johnson, Ways and Means Committee

Prepared by Cynthia Lee, Manager Multifamily Housing Development, Phone 612-673-5266

Approved by Chuck Lutz, MCDA Interim Executive Director \_\_\_\_\_

**Subject: Reallocation of CDBG Funds; Appropriation Changes for the Mortgage Foreclosure Prevention Program**

**Previous Directives:** The Mortgage Foreclosure Prevention Program was allocated \$250,000 of Year 28 CDBG funds during the 2002 budget process.

**Ward:** citywide

**Neighborhood Group Notification:** not applicable

**Consistency with *Building a City That Works*:**

**Comprehensive Plan Compliance:** complies.

**Zoning Code Compliance:** not applicable

**Impact on MCDA Budget:** (Check those that apply)

☐ No financial impact

☐ Action requires an appropriation increase to the MCDA Budget

☐ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☒ Other financial impact (Explain): reallocation and reappropriation of CDBG and Development Account funds

**Living Wage / Business Subsidy:** not applicable

**Job Linkage:** not applicable

**Affirmative Action Compliance:** not applicable

Crown Roller Mill,  
105 Fifth Ave. S., Suite 200  
Minneapolis, MN 55401-2534  
Telephone: (612) 673-5095  
TTY: (612) 673-5154  
Fax: (612) 673-5100  
www.mcda.org

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**RECOMMENDATION:**

**City Council Recommendation:** The Interim Executive Director recommends that the City Council authorize the reallocation of \$250,000 of Mortgage Foreclosure Prevention Program (Report Category MOPI) funds to the Multifamily Rental and Cooperative Program (Report Category 2209/MFPI); amend the 2002 MCDA Appropriation Resolution to increase the appropriation in fund SDA - Development Account and increase the revenue budget (3825-Transfers within Special Revenue Funds) by \$250,000 for the Mortgage Foreclosure Prevention Program.

**Background/Supporting Information**

Primarily as a result of eligibility issues, in the past the Mortgage Foreclosure Prevention Program has always been funded with non-federal Development Account funds. This year the program was allocated \$250,000 of Year 28 CDBG funds during the budget process. Staff has now reconfirmed that the Mortgage Foreclosure Prevention Program activities are not eligible for CDBG funds. To continue the program, a non-CDBG source must be identified. Staff is now recommending that the Council reallocate those CDBG funds to the Multifamily Rental and Cooperative Program. In turn, staff recommends the reallocation of \$250,000 of Neighborhood Development Account Funds from the Affordable Housing/Multifamily Rental and Cooperative Program to the Mortgage Foreclosure Prevention Program. Appropriation actions are needed to transfer the funds from the Neighborhood Development Account (fund FNA) to the Development Account (fund SDA) for the Mortgage Foreclosure Prevention Program.